

Wednesday, September 1, 2010

Sara Howard, 314-962-1523

*"SEED Act" Will Spur Job Growth, Leverage St. Louis's Strength As A Bioscience Hub Into Long-Term Economic Development*

(ST. LOUIS, MO) - Congressman Russ Carnahan (MO-3) today announced the introduction of legislation that will help St. Louis area entrepreneurs launch new bioscience businesses, leveraging the region's strength as a hub for biotechnology into long-term economic development.

**"Small businesses are the key to any economic recovery. But access to capital remains one of the most significant challenges to small businesses as they try to grow and create jobs,"** Carnahan said. **"By tapping into St. Louis's strength as a center for science and innovation and encouraging entrepreneurship, we can bring high-quality jobs and sustained economic growth to the entire region."**

Carnahan's SEED Act - which stands for Supporting Entrepreneurial Economic Development - addresses the unique challenges faced by biotech businesses in securing initial funding. At no additional cost to taxpayers, the bill provides business incubators greater flexibility to help biotech entrepreneurs access "seed-stage" funding as they work to bring their concept to market.

The legislation fills a void in funding that threatens bioscience entrepreneurs' ability to grow and hire new workers. Despite the fact that biotechnology start-ups rely on non-debt financing - or "seed" funding - for proof of concept development, private investment in this earliest stage of financing has evaporated, threatening biotech entrepreneurs' ability to grow, hire more workers

and ultimately bring their product to market.

"It is extremely difficult for new companies to obtain proof-of-concept funding because private investors view start-ups as too risky," said Marcia Mellitz, President and CEO of the Center for Emerging Technologies (CET). "Most proof-of-concept funds are created from public or philanthropic sources. Once a company proves the technology, it is much more likely to attract venture capital and other sources of funding."

The St. Louis region is occupying an increasingly prominent role as a hub for biotechnology, life and plant science research and business. However, St. Louis lags behind the rest of the nation when it comes to the number of new businesses formed, with the Kauffman Foundation ranking Missouri 45th out of the 50 states on its index of entrepreneurial activity over the last three years.

As part of the Regional Jobs Plan he released earlier this year, Carnahan identified the need to leverage regional assets - such as St. Louis's role as a hub for science and innovation - in order to help support immediate job growth and long-term economic development.

**"We need a local approach to creating jobs," Carnahan said. "With creative solutions that foster small businesses, we can spur economic growth that will have a ripple effect throughout the region."**

Carnahan introduced the SEED Act last month, prior to Congress breaking for the August district work period; the bill language has received bipartisan approval from a key committee as part of the Economic Development Administration bill, which is scheduled for reauthorization this year. He discussed the legislation at a press conference today at the Center for Emerging Technologies in St. Louis, where he was joined by Marcia Mellitz; Eric Gulve, President of BioGenerator; and Francis "Duke" Creighton, President and Co-Founder of Pulse Therapeutics, Inc., a medical device company developing magnetism-based technology to safely and effectively destroy blood clots in the endovascular system for deep vein thrombosis (DVT) and neurological stroke.

###